

DEPARTMENT OF STATE REVENUE

Departmental Notice #2
December 2013**SUBJECT:** Prepayment of Sales Tax on Gasoline**REFERENCE:** [IC 6-2.5-7-1](#); [IC 6-2.5-7-14](#)

DISCLAIMER: This document is not a "statement" required to be published in the Indiana Register under [IC 4-22-7-7](#). However, under [IC 6-2.5-7-14](#), the Department is required to publish the prepayment rate in the June and December issues of the Indiana Register. The purpose of this notice is to inform each refiner, terminal operator, and qualified distributor known to the Department to be required to collect prepayments of sales tax on gasoline of the "prepayment rate" effective for the next six-month period. A prepayment rate is calculated twice a year by the Department and is effective for the period January 1 through June 30, or, July 1 through December 31, as appropriate.

Statutory Calculation of Prepayment Rate

The prepayment rate is defined by [IC 6-2.5-7-1](#) and [IC 6-2.5-7-14](#) as the product of:

Step 1

- 1) The statewide average retail price per gallon of gasoline (excluding the Indiana gasoline tax, the federal gasoline tax, and the Indiana gross retail tax); multiplied by
- 2) The state gross retail tax rate (7%); multiplied by
- 3) Eighty percent (80%); rounded to
- 4) The nearest one-tenth of one cent (\$0.001)

Step 2

- 1) Determine the lesser of the results in Step 1 or
- 2) The product of:
 - (i) The prepayment rate in effect on the day immediately preceding the day on which the prepayment rate is redetermined; multiplied by
 - (ii) One hundred twenty-five percent (125%); rounded to
- 3) The nearest one-tenth of one cent (\$0.001)

Using the most recent retail price of gasoline available (as required by [IC 6-2.5-7-14\(b\)](#)), the department has determined the statewide average retail price per gallon of gasoline to be two dollars ninety-nine and four-tenths cents (\$2.994) for the month of August 2013. The data is derived from www.IndianaGasPrices.com.

Based on the provisions of Step 1 and Step 2, the calculations are as follows:

Step 1

Statewide average retail price per gallon:	2.994
Multiplied by the state retail tax:	x .07
	<hr/> 0.20958
Multiplied by 80%:	x 0.8
	<hr/> 0.16766

Rounded to the nearest one-tenth of one cent: 0.168

Step 2

Previous 6-month prepayment rate:	0.177
Multiplied by 125%:	x 1.25
	<hr/> 0.22125

Rounded to the nearest \$0.001: 0.221

Prepayment Rate

Based on the previous calculations, Step 1 will be used to determine the prepayment rate. The prepayment rate of sales tax on gasoline for the 6-month period beginning January 1, 2014, is sixteen and eight-tenths cents (\$0.168) per gallon.

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The prepayment rates for periods beginning July 1, 1994, are established below:

Period			Rate Per Gallon
July 1, 1994	to	December 31, 1994	2.9 cents
January 1, 1995	to	June 30, 1995	3.7 cents
July 1, 1995	to	December 31, 1995	3.3 cents
January 1, 1996	to	June 30, 1996	3.3 cents
July 1, 1996	to	December 31, 1996	3.4 cents
January 1, 1997	to	June 30, 1997	4.0 cents
July 1, 1997	to	December 31, 1997	3.9 cents
January 1, 1998	to	June 30, 1998	4.0 cents
July 1, 1998	to	December 31, 1998	2.9 cents
January 1, 1999	to	June 30, 1999	3.0 cents
July 1, 1999	to	December 31, 1999	2.4 cents
January 1, 2000	to	June 30, 2000	3.6 cents
July 1, 2000	to	December 31, 2000	4.6 cents
January 1, 2001	to	June 30, 2001	4.9 cents
July 1, 2001	to	December 31, 2001	4.9 cents
January 1, 2002	to	June 30, 2002	4.9 cents
July 1, 2002	to	December 31, 2002	3.2 cents
January 1, 2003	to	June 30, 2003	5.3 cents
July 1, 2003	to	December 31, 2003	6.6 cents
January 1, 2004	to	June 30, 2004	6.5 cents
July 1, 2004	to	December 31, 2004	6.6 cents
January 1, 2005	to	June 30, 2005	7.6 cents
July 1, 2005	to	December 31, 2005	7.8 cents
January 1, 2006	to	June 30, 2006	11.2 cents
July 1, 2006	to	December 31, 2006	9.5 cents
January 1, 2007	to	June 30, 2007	11.9 cents
July 1, 2007	to	December 31, 2007	9.9 cents
January 1, 2008	to	June 30, 2008	12.4 cents
July 1, 2008	to	December 31, 2008	15.5 cents
January 1, 2009	to	January 31, 2009	19.4 cents
February 1, 2009	to	June 30, 2009	9.9 cents
July 1, 2009	to	December 31, 2009	8.9 cents
January 1, 2010	to	June 30, 2010	11.1 cents
July 1, 2010	to	December 31, 2010	11.8 cents
January 1, 2011	to	June 30, 2011	12.3 cents
July 1, 2011	to	December 31, 2011	15.1 cents
January 1, 2012	to	June 30, 2012	17.2 cents
July 1, 2012	to	December 31, 2012	16.3 cents
January 1, 2013	to	June 30, 2013	18.3 cents
July 1, 2013	to	December 31, 2013	17.7 cents
January 1, 2014	to	June 30, 2014	16.8 cents

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